



## WHITE PAPER

Impact of the GWA Modernization Effort  
on other Financial Management Service (FMS) Systems  
November 2005

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## **PURPOSE**

The purpose of this white paper is to outline the GWA Modernization Project's (GWAMP) strategy for working with systems impacted by the modernization effort. The goal of this paper is to inform the impacted systems of the changes and implementation, so they can begin planning the needed modifications to their systems in order to meet GWAMP requirements.

## **INTRODUCTION**

The main goal of the GWA Modernization project is to provide reliable, timely and useful information and streamline the central accounting, reporting and reconciliation processes. The project objective and goals support FMS' business objectives to develop efficient processes to ensure accuracy, capture information at the earliest possible time, eliminate the need for burdensome reconciliation and provide timely Fund Balance with Treasury (FBWT) information to agencies. GWA will become the system of record, replacing STAR, the current accounting system.

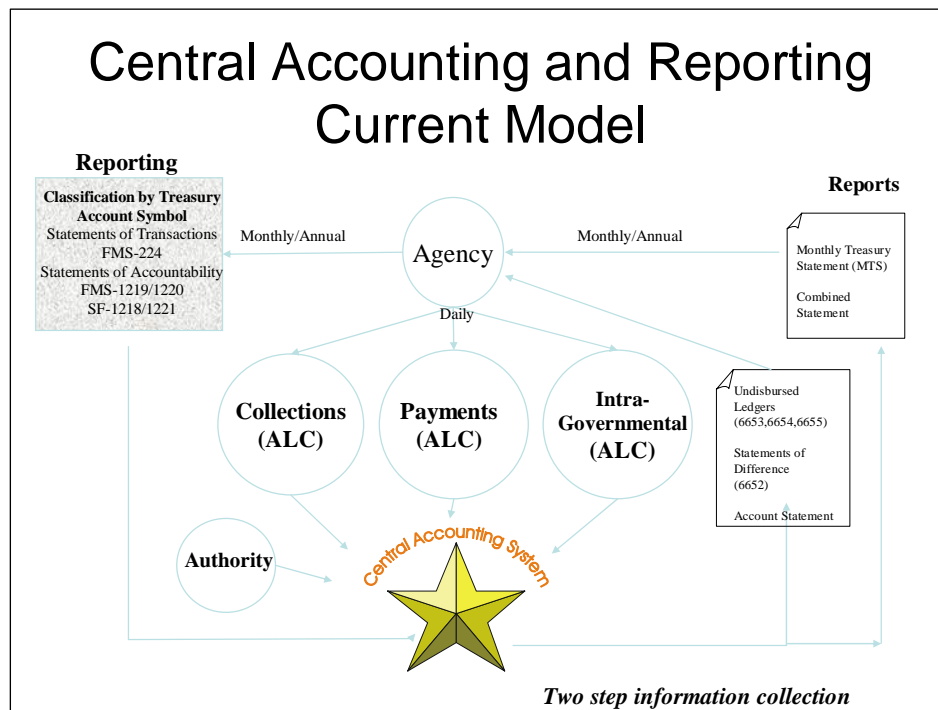
### **Current FMS Process**

The current FMS process of capturing Fund Balance with Treasury transactions creates differences which are difficult and time consuming for federal program agencies (FPAs) to reconcile. Generally there are three transaction types that are reported to FMS through systems relevant to this white paper: Intragovernmental Payments and Collections (IPAC), Payments from both Treasury and Non-Treasury Disbursing Offices (TDO/NTDO), and Collections. Today, FMS receives daily and monthly transaction information from FPAs through various source systems and financial institutions. The transactions received from these mechanisms are classified by the FPAs at the Agency Location Code (ALC) level and are accumulated throughout the month in Central Accounting System (STAR).

On a month-end basis, FPAs summarize these transactions and classify them at the Treasury Account Symbol (TAS) level through the submission of their Statements of Transactions and Accountability. STAR compares the ALC level control totals of the accumulated transactions received via the various input mechanisms to the summary information reported by the FPAs on their . Differences resulting from this comparison process are reported back to the FPAs on a monthly Statement of Difference (FMS-6652).

Additionally, the classification of summarized transaction amounts by the FPAs to individual TAS permits STAR to post those amounts to the TAS' Fund Balance with Treasury (FBWT). Upon completion of this posting process, STAR produces the Monthly Undisbursed Ledgers and Trial Balance Reports (FMS-6653, 6654, and 6655). These Undisbursed Reports serve as the FPAs' "monthly bank statement" and are the starting point for their monthly FBWT reconciliation process. The GWAMP has already implemented the Account Statement and the Undisbursed Ledgers are currently being phased out.

## Flow chart of the current central accounting and reporting model:



Because the bulk of this classification, comparison, and reporting activity occurs at month end, FPAs are burdened with a cyclical reconciliation process that must be completed in a short window of time to properly research and generate FBWT reclassification and adjustment entries. One of the major objectives of the GWAMP is to transform this burdensome monthly process into a simple, daily reconciliation activity that can be efficiently performed online utilizing the inherent components of the GWA System, including the Account Statement.

In order to help FPAs to reconcile their FBWT on a daily basis, the GWAMP will require all transactions to capture a standard classification as close to the initiation of the transaction as possible. The GWA standard classification is a valid TAS and Business Event Type Code (TAS/BETC)<sup>1</sup>. The BETC is a new data element which is explained below.

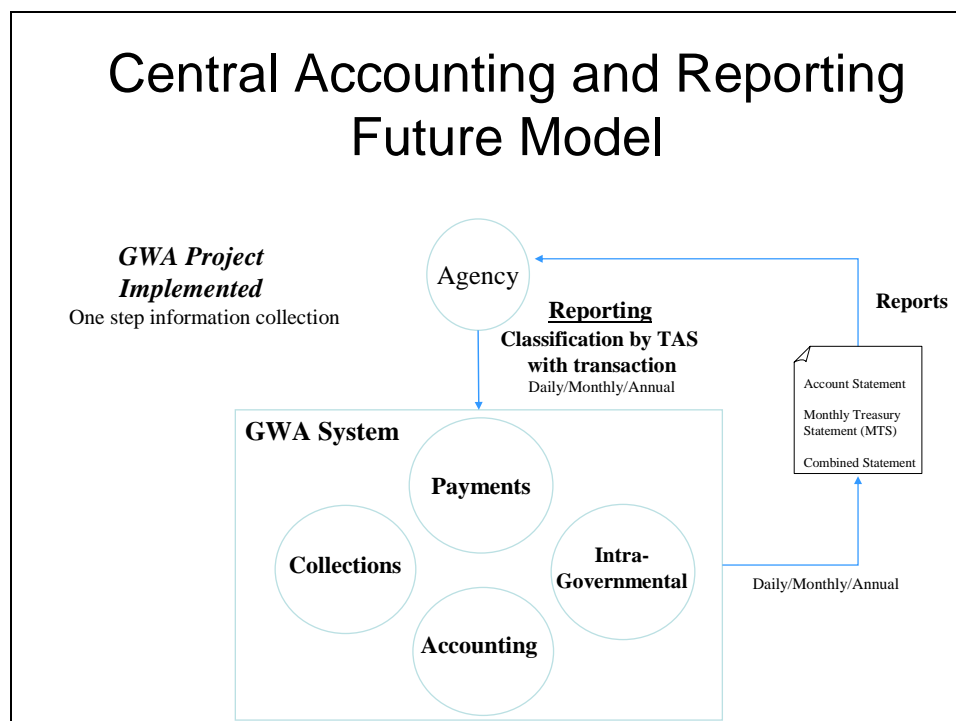
The BETC:

- 1) Is an 8 character code used in the GWA system to indicate the type of activity being reported, such as IPAC, payments, collections, etc;
- 2) Determines the Debit (decrease)/Credit (increase) impact on the TAS' FBWT;
- 3) Must accompany the TAS and the dollar amounts in order to classify the transaction against the FBWT;
- 4) Identifies what category the transaction should be displayed on the Account Statement (AS);
- 5) Replaces the transaction codes and standard sub-classes that are currently being used on the central accounting reports produced by STAR.

<sup>1</sup> Details of the TAS/BETC formats can be found on our website at [www.fms.treas.gov](http://www.fms.treas.gov) under the GWAMP section.

The classified FBWT transactions will be captured daily and presented on the Account Statement. FPAs can then monitor their FBWT accounts daily and reconcile to their accounting records in a more timely manner.

### Flow chart of the future central accounting and reporting model:



## HIGH LEVEL IMPACTS

This paper will identify the high level impacts of the GWA Modernization effort on other FMS systems. The impact on other FMS systems will depend on whether the system is a source or a feeder system. Source systems are systems that feed data directly into STAR, while feeder systems feed data into the source systems. This paper will address systems generically. In addition, this paper will also discuss current development efforts underway at FMS as a result of the GWA Modernization effort. The high level implementation strategy will also be discussed.

There are 3 high level impacts of the GWA Modernization effort on other FMS systems.

### ***Impact 1 – Provide a valid TAS/BETC or Ckey on all transactions***

File layouts will need to change to include the standard GWA classification – a valid TAS/BETC combination; OR include a Classification Key (CKey) that can be identified in an already existing file format. An example of a valid TAS/BETC for a collection transaction is 20X1801/COLL.

To reduce the impact of changing file formats in relation to capturing a valid TAS/BETC, FMS (most outside FMS will not know what Fed Finance is) has created a CKey concept. A CKey is already existing accounting data that an agency can specifically identify and link to a valid TAS/BETC(s). This

will allow systems to forward already existing accounting data in established file formats to GWA. GWA will then interpret the CKEY into a valid TAS/BETC.

That's where the Shared Accounting Module (SAM) comes in. SAM is a joint development effort between 2 FMS areas, Federal Finance and GWA, to support the GWA Modernization effort. SAM is a one stop utility for all of FMS systems to provide a valid TAS/BETC to GWA. Agencies will set up Profiles to identify Ckey translations and/or defaults to allow SAM to either validate or derive a valid TAS/BETC. **Any FMS system that can utilize the Ckey concept will have minimal to no impact in having to change their file formats related to GWA standard classification.**

SAM is also developing a system to system process to allow any FMS system that needs to capture a TAS/BETC in their transaction detail, to interact with SAM during transaction processing to receive a valid TAS/BETC.

### ***Impact 2 – Interface with the Central Accounting Front End System (CAFE)***

Source systems will send files to CAFE that consists of a minimum of two records. The **summary** record will contain the document level data and the **detail** record(s) will contain the transaction details by TAS/BETC/amount or C-Key/amount and total to the summary record.

The GWAMP developed CAFE to capture data files from source systems and direct them to STAR until GWA becomes the system of record and STAR is retired. All source systems will send files to CAFE. When CAFE receives files it will then call SAM to either validate or derive the TAS/BETC based on the accounting information received on the transaction. SAM will then return the original accounting information, the valid TAS/BETC(s) and a result code to CAFE<sup>2</sup>. CAFE will house all of the historical data surrounding these transactions.

### ***Impact 3 – Submit Daily files to CAFE***

The frequency of file submission will change to daily for those systems that are currently reporting monthly to STAR. Source systems will be required to send files daily to CAFE.

## **GWAMP IMPLEMENTATION STRATEGY**

The GWAMP implementation strategy is incremental in relation to when CAFE can interface with each of the source systems: IPAC, Collections and Payments. CAFE is currently scheduled to interface with the IPAC system. Once IPAC is fully implemented, CAFE will be working to interface with the Collection and then the Payment Source Systems.<sup>3</sup>

## **CURRENT DEVELOPMENT EFFORTS**

While the GWAMP implementation strategy is moving forward, development efforts are currently underway within each of the 3 source systems to meet the modernization effort goals.

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<sup>2</sup> Result Codes are to identify what process SAM used to determine and deliver a valid TAS/BETC(s) back to CAFE/GWA.

<sup>3</sup> Details of the GWAMP Implementation strategy and schedule can be found on our website at [www.fms.treas.gov](http://www.fms.treas.gov).

## ***IPAC***

The GWAMP has been working with the Intragovernmental Payment and Collection System (IPAC) to change their file and screen formats to allow the initiator to supply the TAS/BETC for both the receiver and sender sides of the transaction. IPAC will eventually interface with SAM (system to system) to capture a valid TAS/BETC while the initiator is processing the transaction in IPAC. This validation will happen BEFORE an IPAC transaction is released for processing to GWA.

## ***Collections***

In response to the GWA Modernization effort, the collection accounting flow will utilize the new Transaction Reporting System (TRS)<sup>4</sup> which will provide the daily data files from feeder systems directly to agencies and the GWA Account Statement. When reconciling FBWT accounts, agencies will no longer have to go to each of the feeder systems separately for their detail transaction data. TRS will gather and provide all of the feeder system transactions to agencies in a one-stop-shop on line.

In addition to TRS, Fed Finance has been working closely with their feeder systems to determine the impact of the GWA Modernization effort and update them accordingly. Some examples of changes to Collection systems are:

- 1) Lockbox will have to redirect the detail transactions to TRS instead of the agencies and it will no longer have to send the deposit summary to CA\$HLINK II, because TRS will be creating the deposit summary; and
- 2) TGANet, a new over-the-counter deposit system, will allow agencies to enter CKeys for their deposits. TGANet transactions will receive valid TAS/BETCs once they are processed through CAFE/SAM.

## ***Payments***

The GWAMP is currently working with the Payment systems to help analyze the above mentioned impacts and determine the most efficient way to make changes to their systems. It has been determined that the Payment Administrative Management (PAM) project will include the capability to capture the TAS/BETC in the files from agencies. In addition, SAM can be utilized to provide valid TAS/BETCs through a system to system process during the initial payment transaction processing.

## **SUMMARY**

This paper outlines the GWA Modernization Project's high level strategy for working with systems impacted by the GWA modernization effort. By informing the impacted systems of the GWA modernization changes and implementation plans, these systems can begin planning the needed modifications to their systems.

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<sup>4</sup> The TRS is in the process of replacing portions of CA\$HLINK II.